GOVERNMENT OF INDIA
HEALTH AND FAMILY WELFARE
LOK SABHA

UNSTARRED QUESTION NO:3917
ANSWERED ON:09.04.2003
SALE OF GENERIC MEDICINES
DHANI RAM SHANDIL;RADHA MOHAN SINGH

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether the Government are aware that chemists are earning huge profits from the retail sale of medicines due to big gap between the wholesale price and the maximum retail price of generic medicines as reported in the Navbharat Times dated March 6, 2003;

(b) if so, the facts of the matter reported therein;

(c) whether various medical associations have been drawing the attention of the Government towards this from time to time; and

(d) if so, the details of the action taken/directions issued by the Government in this regard so far?

Answer

MINISTER OF HEALTH AND FAMILY WELFARE AND PARLIAMENTARY AFFAIRS (SMT. SUSHMA SWARAJ)

(a) & (b) : In the recent past, the manufacturers of drug formulations, including big pharmaceutical companies, have started marketing their medicines directly through retailers without promoting them through medical profession as per normal practice. Such practice is mostly prevalent in case of non-scheduled formulations which are not under price control. The prices of such formulations are fixed by the manufacturers themselves, keeping in view, various factors like cost of production, freight and market competition etc. The prices of such medicines are generally on par with the prices of equivalent branded medicines marketed through medical profession.

Out of seven products mentioned in the news items, two products (Diclofenac +Paracetamol Tabs. and Nimesulide + Serratiopetidase Tabs) fall under non-scheduled formulation category. Another 2 products (Ciproloxaein Inj. And Ciproloxaein Caps.) fall under scheduled formulation category. However, the matter regarding their inclusion under price control is subjudice in the Supreme Court of India. No information relating to the remaining three products (Tectosept ointment, CefgenSyrup and Cefler Injection) is available.

(c) & (d) : No representation has been received from any Medical Association. However, representations and references have been received from some State Drugs Controllers/Trade Associations/NGOs/VIPs etc.

Para 19 of DPCO 1995 stipulates the trade margin in respect to scheduled formulations sold by manufacturers to the retailers. There is no such stipulation relating to non-scheduled formulations. The matter was also discussed with the Industry Associations and they agreed to exercise discipline in the matter of trade margins and bonuses as per good marketing practices.